

Message Text

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PAGE 01 QUITO 02653 231630Z
ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 CIAE-00 COME-00 DODE-00
DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09
OES-06 L-03 /041 W
-----231713Z 097357 /43

R 231400Z APR 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 4046
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 2653

E.O. 11652: GDS
TAGS: EWWT EC
SUBJ: POTENTIAL SHIPPING DISPUTE

REF: (A) STATE 80108; (B) STATE 82721; (C) QUITO 2305;
(D) QUITO 2439

1. ON APRIL 19 ADM. OLMEDO CALLED CHARGE TO DISCUSS SUBJECT
POTENTIAL SHIPPING DISPUTE. OLMEDO AFFIRMED ECUADOR HAS NO
INTENTION OF HARMING U.S. SHIPPING INTERESTS, BUT RATHER
SEEKS ONLY TO PROTECT ITS OWN SHIPPING INTERESTS FROM
THIRD-COUNTRY ENCROACHMENT. THIS, HE SAID, IS THE REASON
FOR THE RECENT GOE RESOLUTIONS 3/77 AND 6/77. HE SUGGESTED
THAT THE SOLUTION FOR CCT IS SIMPLY TO SWITCH THE REGISTRY
OF ITS THIRD-COUNTRY FLAG VESSELS TO THE U.S. FLAG, AND
THEREBY AVOID EXCLUSION FROM THE US./ECUADOREAN ROUTE.

2. OLMEDO THEN STATED IN THE STRONGEST TERMS THE DESIRE
OF THE GOE TO HAVE EXCELLENT RELATIONS WITH THE US, PARTI-
CULARLY BECAUSE OF ECUADOR'S LEGITIMATE SECURITY CONCERNS
AND HOPES FOR ASSISTANCE FROM THE US IN THIS AREA. HE SAID
THAT BECAUSE OF THIS THE GOE INTENDED TO DISCUSS POSSIBLE
SOLUTIONS WITH TRANSNAVE. WE CAN ONLY SURMISE THAT THE
GOE MAY DISCUSS THE POSSIBILITY OF TRANSNAVE PERMITTING
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CCT TO AFFILIATE WITH IT. HOWEVER, WE ARE NOT OPTIMISTIC
THAT TRANSNAVE WILL ALTER ITS OPPOSITION TO SUCH ASSOCIATION;
AND CCT CLAIMS THAT THE GOE WILL NOT ALLOW CCT TO ASSOCIATE
WITH ANY OTHER ECUADOREAN LINE.

3. IT SHOULD BE NOTED THAT, WHILE RESOLUTION 3/77 WOULD
REQUIRE ONLY THAT CCT CONVERT ITS SHIPS TO THE US FLAG,

RESOLUTION 6/77 WOULD AMEND 3/77 TO REQUIRE THAT, IN ADDITION, US SHIPS SERVING ECUADOR MUST BELONG TO A SHIPPING CONFERENCE SERVING THE SOUTHEAST COAST OF THE PACIFIC OCEAN. CCT BELONGS TO NO CONFERENCE, AND LOCAL CCT REP HAS TOLD US THAT FOR VARIOUS REASONS CCT WANTS TO AVOID SUCH MEMBERSHIP.

4. EMBASSY BELIEVES THAT MOST LIKELY AVENUE FOR OBTAINING CHANGES TO RESOLUTIONS ADVERSELY AFFECTING CCT IS THROUGH LOCAL LOBBYING BY CCT, ESPECIALLY THROUGH THE CHAMBERS OF COMMERCE AND INDUSTRY. THIS IS HOW THE CCT RESOLVED PROBLEMS BEFORE WHEN IT WAS UNDER CONCERTED ATTACK BY ECUADOREAN TRUCKERS UNION. THERE IS REASON TO BELIEVE THAT RUCKERS UNION AND RIVAL SHIPPING LINES MAY HAVE HAD SOME INFLUENCE IN GETTING ENACTED THE RESOLUTIONS THREATENING CCT.

5. EMBASSY WILL ENCOURAGE CCT TO CONTINUE LOBBYING EFFORTS. EMBASSY ALSO INTENDS AGAIN TO APPROACH GOE AND TO RAISE FOLLOWING POINTS: (A) IF, AS STATED, THE PURPOSE OF THE SUBJECT RESOLUTIONS IS TO PROTECT ECUADOREAN INTERESTS FROM THIRD-COUNTRY ENCROACHMENT ON THE US/ECUADOREAN ROUTE, THEN IT WOULD SEEM THE CLAUSE IN RESOLUTION 6/77 RELATING TO CONFERENCE MEMBERSHIP IS SUPERFLUOUS, I.E., THAT FLYING THE US FLAG SHOULD BE SUFFICIENT. (B) WHY DO SIMILAR CLAUSES NOT APPLY TO ECUADOREAN/EUROPEAN ROUTES AND ECUADOREAN/JAPANESE ROUTES AS PER RESOLUTIONS 3/77 (SECTION A) AND THE FORTHCOMING 7/77 RESPECTIVELY? (C) WOULD ECUADOREAN LINES ON THE US/ECUADOREAN ROUTE FLYING THIRD-COUNTRY FLAGS SIMILARLY BE EXCLUDED?

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6. FINALLY, SUBJECT RESOLUTIONS PERMIT COLOMBIAN FLAGSHIP PARTICIPATION. EMBASSY WONDERS WHETHER THIS MIGHT NOT PROVIDE A "LOOPHOLE" FOR CCT EITHER THROUGH COLOMBIAN REGISTRY OF ITS SHIPS OR THROUGH ASSOCIATION WITH A COLOMBIAN FIRM. LOCAL CCT REP HAS POINTED OUT DIFFICULTIES IN SUCH APPROACH, BUT WE GATHER IT MAY BE WORTH EXAMINING CLOSELY BY THE US FIRM.

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHIP REGISTRY, MARINE TRANSPORTATION, RESOLUTIONS, TRADE COMPLAINTS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUITO02653
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770142-0841
Format: TEL
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770426/aaaaavzr.tel
Line Count: 106
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Litigation Codes:
Litigation History:
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Subject: POTENTIAL SHIPPING DISPUTE
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